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he learned that EON does not have a working IVDS system. Indeed, Mr. Hartley learned that nobody has yet developed a working IVDS system.

3. Thereafter, CRSPI filed a Petition for Extraordinary Relief, asking the FCC to delay the IVDS payment deadlines until at least two vendors had developed working systems and are prepared to supply working equipment. The Petition for Extraordinary Relief was denied by the Common Carrier Bureau, but under date of October 19, 1994, CRSPI filed an Application for Review, which is still pending. Therefore, CRSPI is still pursuing its IVDS licenses, although CRSPI has not yet paid for the licenses.

4. EON and its predecessor, TV Answer, Inc., have been the principal proponents of the interactive video and data services. Originally, the service was set up with the intention that the FCC would award licenses by lottery. In 1992, EON distributed a video tape intended to be viewed by prospective holders of IVDS licenses. A transcript of that tape is attached and marked Exhibit A. In the tape, an EON narrator states that

"Working from our network headquarters campus outside of Washington, D.C., we developed, tested, and perfected our patented home unit and remote control. We formed a strategic alliance with Hewlett Packard to manufacture the set top unit and remote and distribute it through consumer electronics stores. We conceived our milliwatt deployment strategy and perfected our patented local cell site equipment. We completed the installation of our nationwide network control center and satellite hub site. We installed a state of the art data processing facility for fast, accurate, back-end processing. We created our interactive services technology to support our unique interactive services center." Emphasis

supplied.

Thus, EON sought to give the impression that it had already developed and perfected a working IVDS system. Indeed, EON even referred to the development of a working milliwatt system.

5. At the Commission level, however, EON apparently did not disclose that it intended to use milliwatt technology. To the contrary the IVDS rules proposed by EON contemplated the use of as much as 20 watts of transmitting power in the various units which make up an IVDS system.

6. EON has now petitioned to the FCC to completely change the system. It now says that it intends to use "passive receive-only microcells which will relay the received RTU signal to the base station network via land lines." Furthermore, EON seeks to reduce the maximum transmitter power of all of the RTU's in the system to 100 milliwatts. While EON has not requested the Commission to eliminate the possibility of transmitting with up to 20 watts of power, the Commission on its own motion has requested comments as to whether "there is any need to continue to authorize 20 watt power per fixed RTU".

7. To the extent that the proposed rules would permit use of IVDS for mobile operations, CRSPI enthusiastically supports such a modification. CRSPI is convinced that some of the most promising IVDS applications are mobile. For example, IVDS could be used for interactive paging.

8. However, CRSPI emphatically opposes any reduction in transmitting power below the 20 watt ERP presently permitted by the

rules. IVDS was conceived as a wireless service. It has advantages over the personal communications services, authorized in the 2000 MHz band, because those services inherently require large numbers of cell sites, linked by land lines. Therefore, the cost of wiring a city for PCS is formidable and, if those systems are to be implemented they almost certainly require the enormous resources of such companies as the Baby Bells. Up until now, IVDS has been different. Because IVDS will operate in the 200 MHz frequency range, with ERP of up to 20 watts, an IVDS system can be implemented without the need for extensive numbers of cells and without the need to use land lines. To change the rules at this point in time to make IVDS an essentially land line service is unfair to those who bid for IVDS spectrum on the assumption that it would be an entirely wireless service.

9. The Commission should retain the 20 watt maximum ERP for transmitters operating in the IVDS. CRSPI can envisage a system in which customers could install 20 watt RTU's in a car or truck. Simple milliwatt pagers could interact with those RTU's. Thus, if a tradesman was called to a home or business to make a repair, he could carry a very small milliwatt interactive pager, which could interact with the RTU in his vehicle and respond to paged messages. At 200 MHz, a 20 watt transmitter has a very long range, so there would be no need for an expensive infrastructure of land lines.

10. Above all, the Commission should avoid changes in the rules limiting the IVDS service to equipment provided by a

single vendor, e.g., EON. Evidently, as early as 1992, EON was contemplating the possibility of milliwatt operation. In fact, EON has applied for a patent in milliwatt operation. Whether milliwatt operation is patentable is, of course, questionable. The public interest requires, however, that the IVDS rules be sufficiently broad as to enable the implementation of IVDS systems by a variety of vendors using competing technologies. The proposal to allow mobile use of IVDS is a step in the right direction. The proposal to convert IVDS from a radio-based, wireless system to a land line based system is a step in the wrong direction.

Respectfully submitted,

June 21, 1995

COMMERCIAL REALTY ST. PETE, INC.

Law Office of
LAUREN A. COLBY
10 E. Fourth Street
P.O. Box 113
Frederick, MD 21705-0113

By:


Lauren A. Colby
Its Attorney

EXHIBIT A

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TRANSCRIPT OF VIDEOTAPE

of

"TV ANSWER" PROMOTION

**PATRICIA E. CRUM
Stenographic Reporter
311 Cheyenne Drive
Frederick, Maryland 21701
(301) 694-0717**

"TV ANSWER"

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(PRINTED AT BOTTOM OF TV SCREEN): TV

ANSWER, INC. Copyright 1992.

MALE VOICE: You're invited to share what was once only a vision and today is a reality so powerful it will transform your television into a two-way interactive window on the world - TV Answer. For educators, TV producers, advertisers and information services, it's the promise of television fulfilled. For you, the local affiliate, it's an opportunity to prosper from the dynamic electronic marketplace of the Nineties - TV Answer.

Thanks to the evolution of technology, consumers now have more choices and more information to make them, but television has remained a one-way medium and television viewers, passive observers, until now. Now, there's TV Answer, a technological breakthrough that enables local affiliates to transmit revenue-generating marketing, education and entertainment transactions through a two-way network, creating a dynamic new industry and opportunity.

Through a two-way wireless communication pathway, TV Answer sends interactive information by satellite to a system of interconnected cell sites in your local community. From there, it's relayed to

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"TV ANSWER"

1 the set top receivers in viewers' homes and overlaid onto
2 programing delivered by cable, satellite, or over-the-air
3 broadcasts. A few clicks on the simple remote and each
4 viewer transaction response is sent back along the same path
5 from your local cell site to the satellite and on to the TV
6 Answer center. From there, it is sent directly to
7 programmers, advertisers or data services.

8 PAUL ANTHONY: Hello! My name is Paul
9 Anthony for TV Answer, America's leader in two-way
10 interactive television. Congratulations on your
11 participation in the FCC's lottery for Interactive Video and
12 Data Services.

13 You know, for the past six (6)
14 years, TV Answer has invested more than Seventy Million
15 (\$70,000,000.00) Dollars building and perfecting this
16 exciting two-way interactive technology.

17 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):
18 Working from our network headquarters campus outside of
19 Washington, D.C., we developed, tested, and perfected our
20 patented home unit and remote control. We formed a strategic
21 alliance with Hewlett Packard to manufacture the set top unit
22 and remote and distribute it through consumer electronics
23 stores. We conceived our milliwatt deployment strategy and
24 perfected our patented local cell site equipment. We
25 completed the installation of our nationwide network control

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1 center and satellite hub site. We installed a state of the
2 art data processing facility for fast, accurate, back-end
3 processing. We created our interactive services technology
4 to support our unique interactive services center.

5 We continue to forge strategic
6 alliances with industry leaders like Hewlett Packard and
7 Hughes Network Systems and we continue to add to our growing
8 list of revenue-generating national service providers, which
9 include Domino's Pizza, J. C. Penney, M.T.M.'s QB1, Meridian
10 Bank, and many more. The result - America's first wireless
11 interactive TV data network will be ready for launch.

12 Hewlett Packard is preparing the
13 home unit for distribution to consumers. The cell site
14 deployment plans are being developed. TV Answer's satellite
15 network and control centers are preparing to receive and
16 process your transactions. And the service providers are
17 signed up and will be ready Day One.

18 PAUL ANTHONY: Now, TV Answer is ready
19 for the final and most important part of our network - you,
20 the local affiliate. Regardless of your business goals for
21 IVDS, we believe the TV Answer local affiliate program is the
22 best and fastest way to build maximum value into your
23 license.

24 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):
25 If your goal is to hold your license for the short term, our

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1 system can maximize the value of your license. If your goal
2 is to hold your license for the long term and build out your
3 IVDS business, then our affiliate program can maximize the
4 value of your business. And if you have a lifetime
5 commitment to build and shape this exciting new industry, TV
6 Answer is your ideal partner.

7 PAUL ANTHONY: Our successes are closely
8 tied, so no matter how long you choose to participate, our
9 joint enterprise can maximize your business goals.

10 TV Answer developed the IVDS
11 technology and the business strategy. Our pioneering efforts
12 have revealed four (4) key elements for success:...

13 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):
14 Home unit penetration; national and local transaction
15 revenue; strategic cell site deployment; training and support
16 for local affiliates.

17 WHITE FEMALE SHOWN TALKING ON TELEPHONE:
18 Tom, how are you doing?

19 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):
20 For quality and dependability, we chose Hewlett Packard, a
21 Fourteen Billion (\$14,000,000,000.00) Dollar industry leader
22 in electronics manufacturing to build, market, and distribute
23 the TV Answer home unit.

24 PAUL ANTHONY: Your local affiliate
25 business will be launched with a strategically designed and

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1 coordinated advertising, marketing, and public relations
2 program that saturates your market and generates product
3 demand.

4 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):
5 Consumers will buy the home unit in neighborhood consumer
6 electronics stores. It's installed in minutes and the
7 consumer's television is instantly transformed into an
8 interactive window on the world.

9 PAUL ANTHONY: For you, the affiliate,
10 and for TV Answer, transactions are our source of revenue.
11 The more interactive opportunities, the more transactions;
12 the more transactions, the more revenue.

13 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):
14 With TV Answer, viewers can instantly tap into an interactive
15 world of educational opportunities, services, consumer
16 products, and entertainment in a truly revolutionary way.

17 ON-SCREEN TITLE: STN's FOOTBALL THIS
18 WEEK.

19 TERRY BRADY (AS REFLECTED AT BOTTOM OF TV
20 SCREEN) (WHITE MALE) SHOWN ON A TV SCREEN: Welcome to STN's
21 halftime Sports Challenge, where you at home get a chance to
22 play along as we test your knowledge of the game.

23 CHARLES KOFFEE (AS REFLECTED AT BOTTOM OF
24 TV SCREEN) (BLACK MALE) SHOWN ON A TV SCREEN: Now, it's your
25 turn to be the referee. Let's take a look at a controversial

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1 play between the Maryland Terrapins and the West Virginia
2 Mountaineers earlier in the season.

3 Now, the question is is the ball
4 dead because the quarterback fumbled or is it an
5 interception? Use your two-way remote to answer and you have
6 about five (5) seconds.

7 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):
8 TV Answer brings a whole new dimension to educational
9 programming.

10 BLACK MALE ON TV SCREEN: And we're going
11 to need help from you contestants at home, too, so play along
12 with us. And the next question is what country has made the
13 greatest strides in preserving the earth's rain forests? Is
14 it Brazil, Columbia, or Costa Rica? That was a good choice
15 because Costa Rica is the correct answer.

16 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):
17 [One (1) or two (2) words indiscernible] questions give
18 communities and citizens a real opportunity to speak out and
19 get involved with important issues.

20 WHITE MALE: Would you be willing to pay
21 ten (10%) percent more on your electricity bill to get a
22 waste to energy plant in your community?

23 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):
24 With TV Answer, the electronic town hall becomes a reality.

25 WHITE MALE: Select yes, select no, or

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1 undecided to reflect your opinion. You have ten (10) seconds
2 to respond. While America answers, we'll ask our studio
3 guests for their expert opinions.

4 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):
5 Consumers experience the secure convenience of home banking
6 and instant bill paying. As a marketing tool, the
7 opportunities are unlimited. TV Answer provides consumers
8 with unmatched convenience and advertisers with a powerful
9 new direct response medium and an important new port of entry
10 into millions of America's TV households.

11 VOICE ON TV COMMERCIAL: Coming to you
12 hot and fresh from Domino's Pizza, Domino's Pepperoni Pizza
13 Feast with extra pepperoni and cheese.

14 FRANK MEEKS, SECOND LARGEST DOMINO'S
15 FRANCHISE OWNER WITH 45 STORES (AS REFLECTED AT BOTTOM OF TV
16 SCREEN): We're so excited at Domino's Pizza about being part
17 of a new team of companies across America, who are part of TV
18 Answer's new electronic marketplace. Our vision for Domino's
19 Pizza is that all of our customers across America can order a
20 Domino's Pizza simply by punching in a couple of numbers on
21 their TV Set, punch in their payment plan of choice, and in
22 thirty (30) minutes or less, Domino's Pizza is at their
23 door. TV Answer is the way of the future and Domino's Pizza
24 is proud to be part of this team.

25 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):

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1 TV Answer is a whole new way of generating valuable sales
2 leads and new customers.

3 GEORGE S. WIEDEMANN, CHAIRMAN, GREY
4 DIRECT INTERNATIONAL (AS REFLECTED AT BOTTOM OF TV SCREEN):
5 I've always wanted to run a direct response spot on the Super
6 Bowl but right now, there's no technology that would allow us
7 to take the kind of blast volume that would come from that
8 response. With something like TV Answer or interactive
9 television, the technology would be there to be -- to be able
10 to take the response and that's very, very exciting.

11 PAUL ANTHONY: TV Answer can make it
12 happen - thousands of instant responses to quality
13 programming and advertising. The TV Answer formula for your
14 financial success is clear: Interactive opportunity equals
15 transactions equals more revenue for you and TV Answer. TV
16 answer has it all. Remember, TV Answer pioneered IVDS
17 technology and championed its acceptance by the FCC.

18 ERVIN DUGAN, FCC COMMISSIONER (AS NOTED
19 AT BOTTOM OF TV SCREEN): It is very exciting to -- to be on
20 the threshold of the -- the age of interactivity and I think
21 all of you are to be praised and I think the folks at TV
22 Answer are to be praised.

23 PAUL ANTHONY: An efficient and
24 strategically deployed local cell site network is key to your
25 success.

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1 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):

2 Our geodemographic cell deployment will provide you the
3 perfect balance between efficiency and capacity, providing
4 ideal coverage on Day One.

5 PAUL ANTHONY: How would you, the local
6 affiliate, develop your business?

7 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):
8 We will share our knowledge and experience about operating
9 and marketing an IVDS business through training, joint
10 marketing efforts, and a professional affiliate relations
11 staff.

12 WHITE FEMALE TALKING ON TELEPHONE: Tom,
13 how are you doing? Uh-huh. I've got your figures. I think
14 you're going to be very pleased.

15 PAUL ANTHONY: We will channel our
16 service providers' success strategies and resources to your
17 local market. Our goals are the same. We will reach our
18 goals together...

19 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):
20 Because, together, remember, we have the four (4) key
21 elements for IVDS success: Home unit penetration; national
22 and local transaction revenue; strategic cell site
23 deployment; training and support for local affiliates.

24 PAUL ANTHONY: Soon, you may win an IVDS
25 license. TV Answer can provide everything you need to build

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1 your license into a successful IVDS business:...

2 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):

3 Financial assistance; technology; a nationwide network;
4 alliances with industry giants Hewlett Packard and Hughes
5 Satellite Systems; our growing list of revenue generating
6 service providers. You will forever change the way Americans
7 entertain, educate, and buy.

8 PAUL ANTHONY: I encourage you to visit
9 our network headquarters to discuss how we can help shape
10 this exciting new industry. Together, we will transform
11 television from a passive, one-way medium into a dynamic
12 two-way interactive window on the world.

13 MALE VOICE (SOUNDS LIKE PAUL ANTHONY):
14 America's electronic marketplace - TV Answer.

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"TV ANSWER"

CERTIFICATE OF STENOGRAPHIC REPORTER

I, PATRICIA E. CRUM, do hereby certify that the preceding transcript of a portion of a videotape, containing a TV Answer promotion, was reduced to typewritten form by me from videotape presented to me by LAUREN A. COLBY, ESQ., and the transcript is a true, accurate and complete record of the statements made and on-screen titles as contained on said portion of videotape; that I did not personally videotape said promotion; that I am neither counsel for, related to, nor employed by any of the parties to this case and have no interest, financial or otherwise, in its outcome.

Dated this 14th day of June, 1995.



Patricia E. Crum
Stenographic Reporter/
Transcriber

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CERTIFICATE OF SERVICE

I, Traci Maust, a secretary in the law office of Lauren A. Colby, do hereby certify that copies of the foregoing have been sent via first class U.S. mail, postage prepaid, this 21st day of June, 1995, to the offices of the following:

Mr. Joseph Weber
Wireless Telecommunications Bureau
Federal Communications Commission
1919 M Street, N.W.
Room 644
Washington, D.C. 20554

James F. Rogers, Esq.
Latham & Watkins
1001 Pennsylvania Ave., N.W.
Washington, D.C. 20004

Traci Maust
Traci Maust